

April 3, 1975

big policyholder. If the insurance companies don't figure on using the 8%, they don't need it. I think that it is simple that we can kill this bill and move on. Thank you.

PRESIDENT: Senator Cavanaugh. Is this your kill motion?

SENATOR CAVANAUGH: Yes.

PRESIDENT: You do have the right to close, do you want to speak now?

SENATOR CAVANAUGH: I would like to speak now and then I would close again. First of all I would like to say to those members of the committee that took offense to my remarks relative to influence, I meant no reflection on the integrity, I was stating a simple fact that insurance companies maintain lobbies in this legislature that are registered. They lobbied this bill. They appear before the public hearing. Bankers Life was represented, Mr. Ted Frazier representing Lincoln Liberty Life and Mr. Ackerman in behalf of Bankers Life. I would ask Senator Stoney if he would yield to a question.

SENATOR STONEY: Yes.

SENATOR CAVANAUGH: Senator Stoney, did you draft this bill?

SENATOR STONEY: Did I draft the bill? No.

SENATOR CAVANAUGH: How did the bill become introduced who....

SENATOR STONEY: The bill....

SENATOR CAVANAUGH: Who requested that it be introduced?

SENATOR STONEY: May I answer now? On behalf of the American Life Insurance Association.

SENATOR CAVANAUGH: Which is an association of companies.

SENATOR STONEY: It is an association of 361 companies in the United States of America who represent that 90% of the life insurance in force at the present time.

SENATOR CAVANAUGH: OK, and they requested that you have this bill introduced in their behalf?

SENATOR STONEY: Yes.

SENATOR CAVANAUGH: Thank you Senator Stoney. Its a life insurance company bill. It is a company bill. People who own life insurance companies wanted the bill introduced. It isn't a policyholders bill. It isn't a little policyholders bill. The effect of this bill would be the direct determinant of the little policyholder. Now large policyholders, sophisticated policyholders as Senator Stoney states, do as a matter of course and as an important ingredient of their purchase of life insurance consider the cash values that they will acquire or build up and that they will have the ability to draw against them. This is part of the contract, it is part of the business, it is part of the consideration of entering into a life insurance policy. Little policyholders also have